

Giving New Meaning to the Word Partnership

The Indiana Long Term Care Insurance Program (ILTCIP), or Indiana Partnership Program, has blazed a new trail in its efforts to make available the highest-quality long term care insurance to Indiana residents. Thanks to the approval of the federal government's Centers for Medicare and Medicaid Services (CMS), there is now reciprocity between the Indiana Medicaid and Connecticut Medicaid programs.

If an Indiana resident purchases a Partnership policy and then later moves to Connecticut and uses his policy in a Connecticut nursing home, he/she could reap asset-saving benefits from the Connecticut Medicaid Program. The same would be true for Connecticut Partnership policyholders who relocate to Indiana and use long term care services in Indiana (to be closer to family or for any reason at all).

While we may not predict a great deal of migration between Indiana and Connecticut, this is a great first step in portability of the asset protection benefit. Prior to this agreement, the insurance benefits were portable, but the asset protection benefit was state-specific. It's significant that the asset protection benefit is now portable, and even though it is portable between only two states, it's a start!

One important caveat to the reciprocity is that asset protection granted by another State's Medicaid program (Connecticut and Indiana only, for now) provides dollar-for-dollar asset protection only. So, even though a person buys an Indiana Partnership policy qualified for total asset protection in Indiana, if they apply to the Connecticut Medicaid program, they will receive dollar-for-dollar asset protection.

Achieving reciprocity was no walk in the park. It required legislation in both states, a written and signed agreement between two states' Medicaid programs, and finally, federal approval.

There are only four Long Term Care Partnership programs operating in the country. Having reciprocity between two of the four states is precedent setting! Indiana and Connecticut are true leaders in this effort.